

Delaware County/AFSCME 1835 (Roads)

2004-2005
CEO - 200
SECTOR - 2

IN THE MATTER OF THE ARBITRATION

BETWEEN

DELAWARE COUNTY, IOWA,

Employer,

vs.

AFSCME LOCAL #1835
(Secondary Roads Employees)
CEO #200/Sector 2,

Employee
Organization.

ARBITRATION AWARD

Wilford H. Stone, Arbitrator

Issued: March 8, 2005

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RELATIONS BOARD

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A. APPEARANCES

For Delaware County, Iowa:

Jim Peters, Attorney
Mark Nahra, Co. Engineer
Shirley Helmrichs, Supervisor
Bill Skinner, Supervisor

For AFSCME Local #1835:

Tom Anthony, AFSCME
Richard Langell, Equipment Operator
Ron Dzaboff, Maintenance Operator
Douglas Bush, Equipment Operator

B. INTRODUCTION/STATEMENT OF JURISDICTION

This matter proceeded to an arbitration hearing pursuant to the statutory procedures established in Iowa Code Chapter 20 (2005). The undersigned was selected to serve as an arbitrator by the parties.

Pursuant to the parties' agreement, the arbitration hearing was held beginning around 3:00 p.m., March 1, 2005, in a conference room at the Delaware County Courthouse in Manchester, Iowa. The hearing was electronically recorded. The parties stipulated that the only issue at impasse was wages. The parties also

apparently have an independent impasse agreement waiving fact-finding, but the arbitrator is rendering his decision before the March 15, 2005, budget submission date, in any event. No subpoenas were requested and no stenographic recordings were requested.

In the course of the hearing, both parties submitted their evidence and were given full opportunity to introduce evidence, facts and present argument, rebuttal and surrebuttal in support of their respective positions. The majority of the evidence was submitted through the parties' representatives, Jim Peters and Tom Anthony. Several persons spoke during the arbitration hearing: Richard Langell, Mark Nahra, and Bill Skinner.

The matter is now fully submitted. Representatives for both parties (Jim Peters and Tom Anthony) argued their positions clearly, and the oral presentations and arguments were of considerable assistance to the arbitrator. The hearing was closed around 4:10 p.m. The award set forth below is based upon the arbitrator's weighing of all of the facts and arguments submitted.

C. EXHIBITS

The Employer submitted a black notebook containing its Exhibits 1 through 13. The Union submitted a document entitled "Union Position in Arbitration" and Union exhibits containing an introduction, and Union Exhibits 1 through 6. All exhibits were admitted without any objection.

D. ARBITRATION CRITERIA

Iowa Code Chapter 20 contains specific criteria that are to be used by an arbitrator in assessing the reasonableness of the parties' arbitration proposals. The criteria set forth in Iowa Code Section 20.22(9) (2005) states:

The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

1. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
2. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
3. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.
4. The power of the public employer to levy taxes and appropriate funds for the conduct of its business.

The Iowa Code requires that the arbitrator must choose between the Employer's final offer, or the Union's final offer on each impasse item. Iowa Code §20.22(3) (2005). The Iowa Code further provides that the arbitrator must select, without alteration, the most reasonable of the positions on each of the items at impasse and consider the statutory criteria in arriving at the decision as to which is the most reasonable. See Iowa Code §20.22(11) (2005).

E. ITEMS AT IMPASSE/FINAL OFFERS

1. Exhibit A – Wages.

County Position. A \$.48 per hour wage increase for all classifications beginning July 1, 2005.

Union Position. A wage increase of \$.30 per hour increase across the board, effective July 1, 2005, and a \$.36 per hour across the board increase, effective June 1, 2006.

F. BACKGROUND

Delaware County, Iowa, is located in north central Iowa, and has a population of around 18,404. The county seat is Manchester, Iowa. AFSCME/Iowa Council 61, Local #1835, has represented the Delaware County Secondary Roads employees since 1977. The unit description covers operators, drivers, maintenance, mechanics, and party chief. The unit is currently comprised of 25 bargaining unit employees with an average hourly rate of \$15.86 per hour.

The current collective bargaining agreement expires June 30, 2005. The parties have reached agreement on all issues except for wages. All other articles of the contract will remain unchanged, or have been resolved by the parties themselves. See, e.g., the "Union Position in Arbitration" which contains other items that have been resolved between the parties, except for the instant issue of wages (paragraph 2).

G. POSITIONS OF THE PARTIES AND FINDINGS OF FACT¹

1. Exhibit A - Wages.

A. County Position. Delaware County states, and the Union admits, that the parties agree on the following comparability group for purposes of external comparison: Benton, Bremer, Buchanan, Cedar, Clayton, Fayette, Grundy, Jackson, Jones, and Winneshiek Counties. See Employer Exhibit 5. All counties are both comparable in size and somewhat geographically close to Delaware County. Id.

¹ The background and all exhibits submitted by the parties are incorporated into all findings of facts and conclusions of law.

The Employer argues that its wage proposal of \$.48 per hour constitutes a 3.03% across the board increase for this unit. The parties apparently have a practice of negotiating a cents per hour increase on an average straight time rate, and then translating that into a percentage. See Employer Exhibit 1, page 2. The Employer argues that its wage increase is the most reasonable because it is consistent with the cost of living of 2.6% (Exhibit 12), the external comparability group (Exhibits 6 and 7), and the bargaining history of the parties. See Exhibit 11. The Employer argues there is no need to "back load" the wages, as a January, 2006, wage increase will have a ripple effect into the 2006-2007 contract year. While the Employer agrees that the new health insurance plan costs more than the old plan, it notes that this Employer is one of the few employers that still pays 100% of the single and family premiums (see Exhibit 8), that the Employer has experienced double digit premium increases that have not been passed on to these employees (Id.), that the employees have access to a cafeteria plan and could pay any out-of-pocket increases in pre-tax dollars, but only 7 of 26 have chosen to do so, and argues that, all things considered, Delaware County employees compare favorably to their counterparts.

The Employer also argues that there is no need for any "catch up" or "payback" on wages, as Employer Exhibit 7 purports to show that, on average, Delaware County secondary roads employees are better compensated than their peers in all job classifications. See Employer Exhibit 7, page 1.

The Employer also notes that Union Exhibit 1 purports to compare its membership to those county employees that are not represented by a union. See Union Exhibit 1. However, the Employer notes that even the Union admits that

these employees similarly received a 3% wage increase. Even though these employees are arguably not "comparable" to the secondary roads employees, the Employer believes this is another relevant factor to consider.

B. Union Position. The Union proposes to increase wages \$.30 per hour across the board effective July 1, 2005, and \$.36 per hour across the board effective January 1, 2006. Although this is a \$.48 increase for the year, the total cost over the contract will be around \$.66, or 4.16%. The Union argues that it has built in the \$.18 more in 2006 because its membership lost insurance coverage last year, and received a lower wage increase of only 1.6%. See Employer Exhibit 11. The Union submitted concrete examples of the increased out-of-pocket medical expenses incurred by its membership from last year, including that of employee Doug Bush (Union Exhibit 3), employee Jim Diers (Union Exhibit 4), and employee Richard Langell (Union Exhibits 5 and 6).

The Union also submitted Exhibit 1 containing the wage increases of other non-bargaining unit employees in Delaware County, and states: "The Union argues that our offer is most reasonable of what non-bargaining is receiving!!!!" Finally, the Union submitted Union Exhibits 2 which contains the benefit comparison of various insurance plans in the county.

C. Findings of Fact. Both sides agree on the number of employees in the unit, the comparability group, and the costing of their respective proposals. See, e.g., Employer Exhibits 2, 3 and 5 and Union Introduction. The external comparability and bargaining history between the parties favors the County's proposal. See Exhibit 6 and Exhibit 11. The arbitrator notes that of the other comparable settlements, only Winneshiek County negotiated a split year wage

increase. The other nine comparison counties all negotiated one-time wage increases. See Employer Exhibit 6. Moreover, a review of County Exhibit 11 indicates that the parties have never negotiated a split year wage increase, except perhaps during the 2000-2001 fiscal year, where an arbitrator apparently awarded the split wage increase.

The arbitrator also finds of the external settlements that the County's proposal of \$.48 is equal to or better than eight of the ten comparable employers. Only Buchanan County (\$.55) is higher. Exhibit 6. Although it appears that Winneshiek County also did a split year wage increase, there was no testimony concerning this county's negotiations. And, as noted, it was the only County in the comparability group to negotiate a split-year wage increase. Finally, the arbitrator also notes that the Employer's proposal of 3.03% is above the cost of living figure of 2.6%. See Employer Exhibit 11.

The arbitrator carefully listened to the testimony from the Union regarding the increased health insurance costs to its membership. Except for the premium information, however, there was no comparability data regarding health insurance submitted to the arbitrator. See Employer Exhibit 8. The only comparability information contained in the record was the premium information, which indicates that of all eleven employers in the comparability group, Delaware County is the only employer that continues to pay 100% of the family premiums for its employees, and one of only six that pay 100% of single premiums. If one compares those counties that are also in the first year of either a one year or multi-year contract (Exhibit 6), Delaware County compares favorably with them. For example, Bremer County employees received a \$.48 increase, but also pay \$40 per month on a family plan

and \$20 per month on a single plan. See Employer Exhibit 8. Grundy County employees received a \$.45 per hour increase, but employees on the family plan pay \$50 per month. Id. Winneshiek County employees will receive \$.40 July 1, 2005, but apparently pay 50% of the family premium. Compare Employer Exhibits 6 and 8. As stated above, the arbitrator would need further information regarding the collective bargaining history in the comparability group to shed further light on this issue of increased expenses and place it into better perspective. On this record, however, it appears that Delaware County AFSCME employees compare favorably not only on wages compared to other similar employees (Employer Exhibits 6 and 7), but also on health insurance premiums (Employer Exhibit 8).

Finally, the arbitrator notes the bargaining history between the parties. See Employer Exhibit 11. The parties have only had a split wage increase once since 1997, and it appears that this was as a result of an arbitrator's award. He further notes that the County's proposal of \$.48 is well above last year's increase of \$.25, and is consistent with the cents per hour and percentage increases negotiated between the parties in the past. The issue of "catch up" and "equity" was disputed by the parties. On the one hand, it appears the Union believes it got a "raw" deal last year with a lower wage increase and an increase of out-of-pocket medical expenses. On the other hand, the Employer notes everyone in the State is paying more for health insurance, and that Delaware County is one of the few employers among comparable employers that still pay 100% of the health insurance premiums (Employer Exhibit 8), in addition to a top wage (Employer Exhibit 7). On this record, the arbitrator believes these arguments are a "wash" and encourages both sides to continue efforts to reduce insurance costs to everyone.

Both parties have also examined the issue of the wage increase granted non-bargaining unit employees. See Union Exhibit 1. These employees are not unionized nor are they performing comparable work to those employees in the secondary roads department. There was no testimony concerning whether AFSCME historically receives the same or similar increase as these employees. Nonetheless, both parties admitted that these employees were also receiving a one-time 3% increase, the same as AFSCME. This comparison to other employees also working for Delaware County, although not performing comparable work or otherwise similarly situated, is nonetheless further proof that the County's one-time wage proposal is "in the ballpark" and the most reasonable.

Finally, the arbitrator also finds that it is in the public interest and welfare that the employees in the bargaining unit receive an across the board wage increase consistent with other comparable employees in their comparability group. Compare Employer Exhibit 6 and 7.

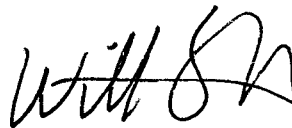
Therefore, based on the bargaining history of the parties, a comparison to other public employees doing comparable work, and the interest and welfare of the public, and the ability of Delaware County to fund such an increase, the arbitrator finds that Delaware County's proposal on wages is the most reasonable.

H. CONCLUSIONS OF LAW/AWARD

In accordance with the statutory criteria imposed upon the arbitrator, the arbitrator determines as follows:

1. **Exhibit A – Wages.** The final offer of Delaware County is selected as the most reasonable.

Dated this 8th day of March, 2005.



Wilford H. Stone, Arbitrator

CERTIFICATE OF SERVICE

I certify that on the 8th day of March, 2005, I served a copy of the foregoing Arbitration Award upon the following persons by mailing pursuant to the Iowa Code and the Iowa Rules of Civil Procedure:

Susan M. Bolte
Administrative Law Judge
Iowa Public Employment Relations Board
514 East Locust Street, Suite 202
Des Moines, Iowa 50309-1912

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